

~~(2)~~ (3) THE INTEREST RATE CALCULATED UNDER ~~PARAGRAPH (1)(H)~~
PARAGRAPHS (1) AND (2) OF THIS SUBSECTION MAY NOT BE LESS THAN 1%.

~~(3)~~ (4) (I) THE INTEREST RATE CALCULATED UNDER ~~PARAGRAPH (1)~~
PARAGRAPHS (1) AND (2) OF THIS SUBSECTION:

1. SHALL APPLY TO THE INITIAL CONTRACT PERIOD; AND
2. MAY BE REDETERMINED FOR ADDITIONAL PERIODS.

(II) THE CONTRACT SHALL ~~PROVIDE~~ STATE:

1. ~~THE INTEREST RATE AS REDETERMINED UNDER~~
SUBPARAGRAPH (I) OF THIS PARAGRAPH;

2. ~~THE VALUE OF THE REDETERMINED INTEREST RATE, IF~~
~~ANY;~~

3. WHETHER THE INTEREST RATE WILL BE REDETERMINED;
AND

2. THE INTEREST RATE REDETERMINATION DATE, BASIS,
AND PERIOD, IF ANY, ~~AND~~

4. ~~THE BASIS FOR THE DATE, OR THE AVERAGE OVER A~~
~~PERIOD, THAT PRODUCED THE INTEREST RATE VALUE BASED ON THE 5 YEAR~~
~~TREASURY CONSTANT MATURITY RATE.~~

(D) (1) DURING THE PERIOD THAT A CONTRACT PROVIDES FOR
SUBSTANTIVE PARTICIPATION IN AN EQUITY INDEX BENEFIT, THE INSURER MAY
INCREASE THE 125 BASIS POINTS UNDER SUBSECTION ~~(C)(1)(H)~~ (C)(2)(II) OF THIS
SECTION UP TO AN ADDITIONAL 100 BASIS POINTS TO REFLECT THE VALUE OF THE
EQUITY INDEX BENEFIT.

(2) ON THE ISSUE DATE OF THE CONTRACT, ~~OR AT~~ AND ON EACH
~~REDEMPTION~~ REDETERMINATION DATE, THE PRESENT VALUE OF THE ADDITIONAL
REDUCTION MAY NOT EXCEED THE MARKET VALUE OF THE EQUITY INDEX BENEFIT.

(3) (I) THE COMMISSIONER MAY REQUIRE THE INSURER TO
DEMONSTRATE THAT THE PRESENT VALUE OF THE ADDITIONAL REDUCTION DOES
NOT EXCEED THE MARKET VALUE OF THE EQUITY INDEX BENEFIT.

(II) IF THE COMMISSIONER FINDS THAT THE DEMONSTRATION
UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS INADEQUATE, THE
COMMISSIONER MAY DISALLOW OR LIMIT THE ADDITIONAL REDUCTION.

(E) (1) THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT THE
PROVISIONS OF THIS SECTION.

(2) THE REGULATIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION
MAY PROVIDE FOR: